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Farm Custom Rates for 1963

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Successful use of farm equipment on more than one farm depends on custom rates that are fair to both parties. The information in this guide can help you in figuring your custom work costs during 1963.

by James C. Frisby

THE ANNUAL Farm Custom Rate Guide, which appears in Iowa Farm Science each year, is intended as a base or starting point for Iowa farm operators interested in hiring or exchanging various custom services. The guide is *not* based on or applicable to commercial custom service operations.

Rates May Differ . . .

Custom rates vary throughout the state because the effective going rates depend on cost factors and on supply and demand. If several individuals in a particular area do custom work and few farm operators seek such service, competition becomes a major factor in tending to reduce the rates charged. On the other hand, it's difficult in some localities to locate individuals who are willing to do custom work. A scarcity of custom operators, therefore, may tend to increase the rates charged.

Some machines, which are used only in limited areas, aren't listed since there's little basis for establishing a going rate.

The information and rates presented here are intended only as guides in determining the rates to charge or the rates you can expect to pay for custom services such as those listed. Even so, local influences should be kept in mind in every case and used to adjust the rates given.

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Basis for Rates . . .

The Farm Services Department of Iowa State University does considerable amounts of field tillage, crop harvesting and other farm operations and services for the various departments of the College of Agriculture at Iowa State. This provides an opportunity to accumulate cost data. From this experience — plus information supplied by agricultural colleges in neighboring states and farm management experts — we develop the suggested rates and charges.

Most of the operations performed by the Farm Services Department are handled on a custom basis, with costs charged to the department for which the work is done. At the beginning of each year, we prepare an adjusted schedule of rates for Farm Services Department charges. Each charge is determined by anticipating increases or decreases based on several years' records. Labor costs are carried as a separate item. Since labor conditions vary throughout the state, *labor charges* are *omitted* from the custom rate guide.

The costs of owning and operating a machine can be divided into two categories: *cost of ownership,* which includes computed fixed costs, and *cost of operation,* which includes actual out-of-pocket operating expenses. Cost of ownership includes costs for depreciation, interest on investment, taxes, insurance, repairs and housing. Cost of operation includes such expenses as fuel and lubrication. Both cost of ownership and cost of operation are considered in the rates suggested in this guide.

The suggested rates are based on the approximate unit costs of work done under what are thought to be normal conditions and should apply generally to most Iowa situations. Field conditions, however, influence the cost of operation. For highly favorable conditions—such as large level fields and long rows—the suggested rates may be reduced. If unfavorable conditions exist—such as small, irregular fields, or poor soil conditions—the rates may be adjusted upward.

Remember . . .

Keep these four things in mind as you use the Iowa Farm Custom Rate Guide for 1963: (1) Because of local variations, *labor costs are not included* in the rates and charges listed; (2) the suggested rates and charges are based on *normal working conditions;* (3) *rates are intended as guides* and should be adjusted to suit each individual case (because of the supply and demand situation for custom services and machinery, actual going rates locally may be either above or below those listed in the table); and (4) the rates show *actual cost only* with no margin for profit or risk.

IOWA FARM CUSTOM RATE GUIDE — 1963

(Labor Charges NOT Included)

KIND OF FUEL AND POWER	Hourly cost: Tractor[a]		Fuel[b]	
Gasoline tractor, 2-plow	T2	= $1.00	F2	= $0.35
Gasoline tractor, 3-plow	T3	= 1.10	F3	= 0.50
Gasoline tractor, 4-plow	T4	= 1.30	F4	= 0.60
Gasoline tractor, 5-plow	T5	= 1.40	F5	= 0.70
Diesel tractor, 4-plow	TD4	= 1.40	FD4	= 0.45
Diesel tractor, 5-plow	TD5	= 1.50	FD5	= 0.55

OPERATION	COST PER HOUR: Implement[c]	Power[d]	Fuel[d]	Total[e]	COST PER ACRE: Including power and fuel
TILLAGE:					
Plow, 2-bottom	$0.50	+ T2	+ F2	= $1.85	$2.00
Plow, 3-bottom	0.80	+ T3	+ F3	= 2.40	1.85
Plow, 4-bottom	1.45	+ T4	+ F4	= 3.35	1.85
Plow, 5-bottom	1.75	+ T5	+ F5	= 3.85	1.60
Disk harrow, 15-foot, single	0.50	+ T3	+ F3	= 2.10	0.40
Disk harrow, 10-foot, tandem	0.75	+ T3	+ F3	= 2.35	0.75
Disk harrow, 14-foot, tandem, wheel type	1.25	+ T4	+ F4	= 3.15	0.70
Disk harrow, 18-foot, tandem, wheel type	1.90	+ T5	+ F5	= 4.00	0.65
Spike-tooth harrow, 20-foot	0.65	+ T2	+ F2	= 2.00	0.25
Spike-tooth harrow, 30-foot, wheel drawbar	1.20	+ T4	+ F4	= 3.10	0.20
Spring-tooth harrow, 16-foot	0.70	+ T4	+ F4	= 2.60	0.50
Packer, double-gang corrugated roller, 10-foot	0.45	+ T3	+ F3	= 2.05	0.50
Rotary tiller, 7-foot	1.15	+ T5	+ F5	= 3.25	——
PLANTING:					
Plant corn, drill, 2-row	0.50	+ T2	+ F2	= 1.85	0.80
Plant corn, drill, 4-row	1.00	+ T3	+ F3	= 2.60	0.60
Plant corn, check, 2-row, fertilizer attachment	0.70	+ T2	+ F2	= 2.05	0.90
Plant corn, check, 4-row, fertilizer attachment	1.40	+ T3	+ F3	= 3.00	0.70
Drill, grain, 11-foot with fertilizer attachment and grass seeder	1.50	+ T3	+ F3	= 3.10	0.85
Drill, grain, 14-foot with fertilizer attachment and grass seeder	1.80	+ T4	+ F4	= 3.70	0.70
Endgate seeder (charge for wagon omitted)	0.25	+ T2	+ F2	= 1.60	0.20
Packer-seeder, 10-foot	1.50	+ T2	+ F2	= 2.85	0.90
CULTIVATION:					
Rotary hoe, 2-row, 3-point hitch	0.65	+ T2	+ F2	= 2.00	0.50
Rotary hoe, 4-row	1.15	+ T3	+ F3	= 2.75	0.25
Cultivate, 2-row	0.60	+ T2	+ F2	= 1.95	0.70
Cultivate, 4-row	1.70	+ T3	+ F3	= 3.30	0.65
HARVESTING:					
Combine (small grain), direct or pickup, 10-foot	6.50	+ —	+ F3	= 7.00	3.50
Combine (corn), 2-row	8.20	+ —	+ F3	= 8.70	6.00
Corn picker, 2-row	4.30	+ T4	+ F4	= 6.20	3.45
Corn picker-sheller, 2-row	5.65	+ T4	+ F4	= 7.55	4.50
Forage harvester, corn and sorghum	6.20	+ T4	+ F4	= 8.10	5.50
Forage harvester, grass and legume	5.20	+ T4	+ F4	= 7.10	5.50
HAYING:					
Mowing or pasture clipping	1.00	+ T2	+ F2	= 2.35	0.85
Rake, side-delivery	1.40	+ T2	+ F2	= 2.75	0.80
Conditioner, roller	1.40	+ T2	+ F2	= 2.75	0.80
Conditioner, flail	4.10	+ T4	+ F4	= 6.00	4.80
Baler, PTO, field pickup	10c/bale (add 1c/bale for bale ejector)				
FERTILIZING:					
Broadcast spreader, 12-foot, dry	0.80	+ T2	+ F2	= 2.15	0.60
Manure loader, power	0.40	+ T3	+ F3	= 2.00	——
Manure spreader, PTO, 140 bu.	1.20	+ T3	+ F3	= 2.80	——
MISCELLANEOUS:					
Spraying, 20-foot attached or trailing	1.10	+ T2	+ F2	= 2.45	0.35
Mowing weeds or chopping cornstalks, 3-point hitch rotary mower	1.00	+ T2	+ F2	= 2.35	1.20
Bore post holes	0.45	+ T2	+ F2	= 1.80	——
Blower and tractor	1.75	+ T3	+ F3	= 3.35	——
Hauling silage (up to 3 miles)	$1.00 per ton				
Shell corn (stationary)	2½c per bushel				
Dry shelled corn or small grain	5c per bushel minimum charge; 1c per bushel for each percent moisture removed				
Insecticide and herbicide (granular) applied during planting operation	11c per acre plus cost of material				

[a]Cost of **tractor only** per hour (tractor operating 600 hours per year).
[b]Cost of **fuel only** per hour; gasoline at 17c per gal. net cost; No. 1 diesel fuel at 16c per gal.
[c]Cost of **implement only; add** costs of tractor and fuel for complete cost.
[d]Use costs from top part of guide according to type of tractor and fuel **actually used.** If a diesel, 4-plow tractor, for example, is used, take costs indicated for TD4 and FD4 rather than T4 and F4.
[e]To obtain **total cost** per hour for a particuular operation, **add** cost for implement **to** cost for tractor and fuel according to kind of power and fuel **actually used** if different from combination shown. These costs are shown in the top portion of the table.